



State Representative

## **Samantha J. Kerkman**

Testimony of Rep. Samantha Kerkman  
Assembly Urban and Local Affairs Committee  
Assembly Bill 803  
February 21, 2008

Rep. Gottlieb and members of the Urban and Local Affairs Committee,

I want to thank you for the opportunity to talk to you today about Assembly Bill 803.

AB 803 would ensure that non-profit outdoor youth camps are not charged an assessment from a town or town sanitary district for the construction of a sewerage and/or water system that the camp will not be utilizing.

This bill would essentially create the same exemption for nonprofit youth camps that currently exists for farmland. According to the Legislative Council, these types of assessments are done based on the linear foot, and prior to the exemption for farmland, farmers were forced to sell off pieces of their land to pay an assessment for a service they would not be using.

As with those farmers, many of these non-profit camps do not have the means to pay for such assessments for services that they won't be using. It should be noted, though, that if at some point in the future the camp hooks up to the sewerage or water system, it would be charged the assessment at that time.

Again, my thanks for your consideration of this bi-partisan proposal.



# State of Wisconsin • DEPARTMENT OF REVENUE

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## Assembly Committee on Urban and Local Affairs Hearing, February 21, 2008

### **2007 AB 803 – Regarding Exempting Nonprofit Camps from Certain Town Sanitary District or Town Assessments -- Representative Kerkman**

#### *Description of Current Law and Proposed Change*

Under current law, towns and town sanitary districts may not levy a special assessment on farmland for the construction of a sewerage system, a water system, or both, if the farmland is not connected these systems. However, if any structure on the farmland is connected to such a system, special assessments are allowed, but may not exceed that which would otherwise be imposed on the equivalent of a square acre of land. Special assessments may also be imposed if the farmland parcel ceases to be used exclusively for agricultural purposes for a period of at least one year, or if the parcel is divided into two or more parcels and at least one of which is not exclusively used for agricultural purposes.

The bill extends the treatment discussed above for farmland to a "camp". A "camp" is defined as a parcel of land of up to 30 acres, plus any personal property located on the land, that (a) is conducted by a non-profit corporation, charitable trust, or other non-profit association organized under the laws of Wisconsin, (b) qualifies as a charitable organization under section 501 (c) (3) of the Internal Revenue Code, (c) is exempt from federal taxes under section 501 (a) of the Internal Revenue Code, and (d) is primarily used for camping for children.

#### *Fairness/Tax Equity*

- Some non-profit camps have tight budgets, with little room for additional costs. Special assessments for sewerage systems and/or water systems are often calculated based on a property's road frontage plus a charge for the installation to any buildings on the property. These charges can be quite large, especially the portion based on road frontage. While non-profit camps would still be expected to pay these special assessments on certain portions of their property, the assessments under the bill could be significantly lower than under current law.

#### *Impact on Economic Development*

- The bill has no impact on economic development.

#### *Administrative Impact/Fiscal Effect*

- The Department of Revenue does not have information which would permit a reasonable estimate of the number of camps that could qualify for the exemption created under the bill. Therefore, it is not possible to reasonably estimate the amount of special assessments that towns and town sanitary districts would be unable to levy as a result of the bill.

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